

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5955-01
Bill No.: HB 1953
Subject: Environmental Protection
Type: Original
Date: March 5, 2014

Bill Summary: This proposal extends the expiration date for the fee imposed on new tires sold in the state from 2015 to 2020.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Scrap Tire Fee Subaccount*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Income and costs net to zero.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 260.273 - Scrap Tire Fee Extension:

Officials from the **Department of Natural Resources (DNR)** state this proposal will extend the \$0.50 fee on the sale of new tires at retail for five years from January 1, 2015 through January 1, 2020. No new or additional fees or taxes are imposed by this proposal.

DNR notes, less collection costs by the retailer and the Department of Revenue, approximately \$2.1 million will be collected for the fee on new tires sold at retail annually as revenue to the Scrap Tire Subaccount.

DNR notes the following revenue collections from the Scrap Tire Fee for the periods 2004 - 2014 year-to-date.

Table 1: Scrap Tire Fee Revenue Collections

Fiscal Year	Fees from New Tires Sold at Retail
2004	\$1,623,688 - partial year
2005	\$27,332 - partial year
2006	\$953,815 - partial year
2007	\$2,104,673
2008	\$2,193,714
2009	\$2,075,192
2010	\$2,126,777
2011	\$2,139,199
2012	\$2,084,386
2013	\$1,988,327
2014 YTD	\$1,200,747 (as of Jan. 31, 2014)

Source: DNR

ASSUMPTION (continued)

DNR officials state renewal of the tire fee will allow continuation of proper scrap tire management and protection of the environment through cleanup of illegal scrap tire dumps across Missouri.

DNR officials state the fee allows for creation and maintenance of jobs in the scrap tire industry, such as tire processors, haulers, and development of end market users.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this proposal extends the existing scrap tire fee sunset from January 1, 2015 to January 1, 2020.

BAP assumes this proposal would not result in any statewide fiscal impact.

Officials from the **Department of Elementary and Secondary Education** assume the proposal would not fiscally impact their agency.

Oversight assumes this a continuation of an existing \$.50 scrap tire fee through January 1, 2020, set to expire January 1, 2015.

Oversight assumes estimated annual income of \$2.1 million to the Scrap Tire Subaccount(0569), based on recent revenue collections.

Oversight assumes costs to the Scrap Tire Subaccount(0569) will equal the income received. Scrap tire fee income revenues are used to support administration of the program, program grants, education programs, and curriculum for solid waste management paid from the Scrap Tire Subaccount.

Officials from the **Department of Revenue** did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (6 Mo.)	FY 2016	FY 2017
SCRAP TIRE FEE SUBACCOUNT FUND			
<u>Income - DNR</u>			
§ 260.273 - Scrap Tire Fee	\$2,100,000	\$2,100,000	\$2,100,000
<u>Costs - DNR</u>			
§ 260.273 - Administration, Program Grants, & Educational Materials	<u>(\$2,100,000)</u>	<u>(\$2,100,000)</u>	<u>(\$2,100,000)</u>
ESTIMATED NET EFFECT ON THE SCRAP TIRE FEE SUBACCOUNT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

§ 260.273 - Scrap Tire Fee Extension:

Direct fiscal impact to small business retail tire shops would be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 260.273 - Scrap Tire Fee Extension:

This proposal extends from January 1, 2015 to January 1, 2020 the expiration of the fee collected from retailers for the disposal of old tires.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

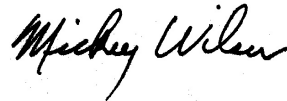
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SOURCES OF INFORMATION

Department of Natural Resources
Department of Elementary and Secondary Education
Office of Administration - Division of Budget and Planning

Not Responding:

Department of Revenue



Mickey Wilson, CPA
Director
March 5, 2014

Ross Strobe
Assistant Director
March 5, 2014